GOVERNMENT OF INDIA
LABOUR AND EMPLOYMENT
LOK SABHA

UNSTARRED QUESTION NO:3732
ANSWERED ON:23.08.2004
CONSUMER PRICE INDEX
Jatiya Dr. Satyanarayan

Will the Minister of LABOUR AND EMPLOYMENT be pleased to state:

(a) the factors including the calculation of Consumer Price Index;

(b) the figures of latest Consumer Price Index by various leading cities;

(c) the years in which there has been a change in the base year for the calculation and the highest level of price Index prevailing at that time; and

(d) when was the latest base year determined for the calculation of officially fixed highest income for the poverty line and the existing income for calculations of the poverty line as per the then Price Index vis-Ã -vis the updated price Index?

Answer

MINISTER OF LABOUR AND EMPLOYMENT (SHRI SIS RAM OLA)

(a): There are three factors for calculation of Consumer Price Index Numbers viz, Weighting Diagram, Base Price and Current Price.

(b): The latest All-India Consumer Price Index Number for Industrial Workers (base 1982=100) alongwith the Indices of four metropolitan cities i.e. Chennai, Delhi, Kolkata and Mumbai for June 2004 are 512, 548, 583, 562 and 601 respectively.

(c): The old series of consumer price index for industrial workers with base 1949=100, which was in vogue till July 1968, was replaced by the new series with base 1960=100 with effect from August 1968. The index on old base (1949=100) was 213 in July 1968.

Similarly, the 1960 series, which was in vogue till September 1988, was replaced with new series with base 1982=100 in the month of December 1988 with the release of October 1988 Index. The Index on base 1960=100 was 806 points in September 1988.

(d): The poverty line as worked out by the Planning Commission is based on per capita consumption expenditure as the criterion to determine the persons living below the poverty line. The per capita consumption norm has been fixed at Rs.49.09 per month in rural areas and Rs.56.64 per month in urban areas at 1973-74 prices at national level corresponding to a basket of goods and services anchored on a norm of per capita daily calorie requirement of 2400 kcal in rural areas and 2100 kcal in urban areas. The latest year for which the official poverty lines are available is 1999-2000 with per capita per month expenditure is Rs.327.56 in rural areas and Rs.454.11 in urban areas.

The state-specific poverty lines of 1973-74 are updated by taking into account price rise using the Consumer Price Index for Agricultural Labourers for rural areas and the Consumer Price Index of Industrial Workers for urban areas for use in later years. The poverty line (implicit) at all India level is worked out from the expenditure class-wise distribution of persons and the poverty ratios at all-India level. The poverty ratios at all India level is obtained as the weighted average of the state- wise poverty ratios.